

## Message Text

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 2051

C O N F I D E N T I A L SECTION 1 OF 4 TEHRAN 5761

C O R R E C T E D C O P Y (CORRECTION MRN)

E.O. 11652:HV GDS

TAGS: OGEN, PFOR, AFSP, IR, US, XF

SUBJ: ANNUAL POLICY ASSESSMENT FOR IRAN

REF: STATE 2050

1. SUMMARY: IRAN'S STRATEGIC LOCATION, RELATIVE STRENGTH IN GULF AREA, ABUNDANT OIL AND OTHER RESOURCES, AND RAPIDLY EXPANDING DOMESTIC MARKET MAKE IT A COUNTRY OF VITAL IMPORTANCE TO U.S. OUR INTERESTS HERE INCLUDE CONTINUANCE OF STABLE, RESPONSIBLE AND FRIENDLY COUNTRY WHICH WILL PLAY CONSTRUCTIVE ROLE IN REGION, GRANT US OVERFLIGHT RIGHTS AND ESSENTIAL MILITARY AND INTELLIGENCE FACILITIES, AND GIVE US ACCESS TO COUNTRY'S MARKETS AND OIL. OUR GOALS AND OBJECTIVES ARE DESIGNED TO PRESERVE AND ADVANCE THOSE AND OTHER INTERESTS. POLICY ISSUES AND POTENTIAL PROBLEMS INCLUDE THOSE RELATED TO MILITARY SALES AND CO-PRODUCTION, COORDINATION OF US EFFORT HER, EXPANDING AMERICAN PRESENCE AT TIME OF INCREASING IRANIAN NATIONALISM AND SELF-ASSERTIVENESS, ENERGY, AND FDIFFERENCES OVER INTERNATIONAL ECONOMIC SYSTEM. TO DEAL WITH ITS CONSTANTLY EXPANDING ACTIVITIES, EMBASSY WILL REQUIRE AT LEAST 11 ADDITIONAL U.S. POSITIONS AND SOME 21 LOCAL POSITIONS, AS WELL AS 250 PER CENT INCREASE IN PROGRAM AND SHARED BUDGET. END SUMMARY

2. INTRODUCTION:

IRAN'S INCREASING IMPORTANCE TO UNITED STATES DERIVES FROM BOTH GEO-POLITICAL AND ECONOMIC FACTORS. IN CONTEXT OF SOUTHEAST CONFIDENTIAL

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ASIA COLLAPSE AND CONTINUING DIFFERENCES WITH TURKEY, IRAN REMAINS ONE OF OUR FEW STAUNCH ALLIES IN CONTINENTAL ASIA. SHARING 1,000-MILE LAND BORDER WITH SOVIET UNION, FLANKED BY POTENTIALLY EXPLOSIVE SITUATIONS SUCH AS ARAB/ISRAELI CONFLICT TO WEST AND

AFGHAN/PAKISTAN DIFFICULTIES TO EAST, AND WITH COMMANDING POSITION ON PERSIAN GULF, IRAN IS ONE OF ONLY TWO NON-NATO COUNTRIES IN ALL OF WESTERN ASIA, AFRICA AND EUROPE CONSIDERED BY JOINT CHIEFS OF STAFF AS OF VITAL IMPORTANCE TO U.S. MILITARY STRATEGY. ECONOMICALLY, AS ONE OF WORLD'S LARGEST OIL PRODUCERS AND EXPORTERS, IRAN'S REVENUES HAVE INCREASED MORE THAN FOUR-FOLD IN PAST 15 MONTHS, ENABLING IT TO SPEED UP INTERNAL DEVELOPMENT, GREATLY EXPAND PURCHASES OF INDUSTRIAL, MILITARY AND CONSUMER GOODS FROM ABROAD, AND PUT MISCLE INTO SHAH'S EFFORTS TO PLAY GREATER LEADERSHIP ROLE IN WORLD SCENE.

3. GIVEN THESE GENERAL CONSIDERATIONS, FUNDAMENTAL INTERESTS OF THE UNITED STATES IN IRAN CAN BE SEEN TO BE:

A. CONTINUANCE OF IRAN AS STABLE, SECURE, INDEPENDENT AND FRIENDLY COUNTRY ABLE AND WILLING TO PLAY RESPONSIBLE AND CONSTRUCTIVE ROLE IN REGION.

B. MAINTENANCE OF CLOSE AND COOPERATIVE BILATERAL RELATIONS, CONTINUING FAVORABLE ACCESS TO PRESENT AND POTENTIAL DECISION MAKERS, AND PERPETUATION OF FRIENDLY ATTITUDE TOWARD U.S. ON PART OF IRANIAN PEOPLE.

C. ACCESS ON FAVORABLE TERMS FOR AMERICAN GOODS AND SERVICES TO RAPIDLY-GROWING IRANIAN MARKET, AND MAINTENANCE OF HOSPITABLE CLIMATE FOR U.S./ IRANIAN COMMERCIAL AND FINANCIAL COOPERATION.

D. CONTINUING ACCESS TO VITAL IRANIAN/TURKISH AIR CORRIDOR BETWEEN EUROPE AND ORIENT AND ACCESS TO IRANIAN PORTS FOR OUR NAVAL AND CIVILIAN VESSELS.

E. CONTINUED USE OF IRANIAN TERRITORY FOR SPECIAL MILITARY AND INTELLIGENCE FACILITIES WHICH COULD NOT BE RELOCATED ELSEWHERE TO EQUAL EFFECT.

F. CONTINUING ACCESS TO IRANIAN OIL AND MINERAL RESOURCES FOR OURSELVES AND OUR FRIENDS.  
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4. OUR BASIC GOALS AND OBJECTIVES ARE TO PRESERVE AND ADVANCE THE INTERESTS LISTED ABOVE, AND SPECIFICALLY TO:

A. WORK TOWARD DEVELOPMENT OF LARGER COMMUNITY OF INTEREST AND OUTLOOK BETWEEN IRAN AND THE U.S. IN INTERNATIONAL AND DEFENSE MATTERS, ESPECIALLY IN MIDEAST AND SUBCONTINENT. CONTINUE CLOSE CONSULTATIONS AND FRANK EXCHANGE OF VIEWS THROUGH EXISTING CHANNELS AND PERIODIC HIGH-LEVEL VISITS. ATTEMPT TO OBTAIN IRANIAN SUPPORT FOR U.S. POSITIONS AT UNITED NATIONS AND IN OTHER INTERNATIONAL BODIES.

B. RESPOND TO IRANIAN REQUESTS FOR ASSISTANCE IN IMPROVING EFFECTIVENESS OF ITS ARMED FORCES, AND SEEK TO MAINTAIN THEIR

PREDOMINANTLY AMERICAN ORIENTATION IN EQUIPMENT, TRAINING, AND OPERATIONAL DOCTRINE.

C. ENCOURAGE IRANIANS TO REGARD UNITED STATES AS STRONG, RELIABLE FRIEND AND EFFECTIVE LEADER WORKING TOGETHER TOWARD RESPONSIBLE SOLUTIONS TO IRAN'S AND WORLD'S PROBLEMS. . AN INTENSIFIED DIPLOMATIC AND INFORMATIONAL EFFORT CAN FURTHER THIS GOAL BUT ITS ULTIMATE SUCCESS WILL DEPEND UPON EFFECTIVENESS, WISDOM AND CREDIBILITY POLICIES ACTUALLY FOLLOWED BY UNITED STATES.

D. COOPERATE WITH GOI IN ITS EFFORTS TO PROMOTE IRANIAN ECONOMIC AND SOCIAL DEVELOPMENT IN A WAY WHICH WILL CONTRIBUTE TO COUNTRY'S WELFARE, INTERNAL STABILITY AND INTERNATIONAL INFLUENCE. OUR EFFORTS IN THIS AREA SHOULD BE FOCUSED PRIMARILY UNDER JOINT COMMISSION AND COULD INCLUDE REIMBURSABLE TECHNICAL ASSISTANCE IN MANY FIELDS, COOPERATIVE TRAINING AND EDUCATIONAL AGREEMENTS WITH U.S. UNIVERSITIES AND INSTITUTIONS, AND EXPANDED ACTIVITIES BY PRIVATE U.S. FIRMS.

E. GAIN LARGER SHARE OF BOOMING IRANIAN MARKET FOR AMERICAN AGRICULTURAL PRODUCTS AND OTHER CONSUMER GOODS, EQUITY INVESTMENTS AND HIGH-TECHNOLOGY AND TURNKEY PROJECTS.

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C O N F I D E N T I A L SECTION 2 OF 4 TEHRAN 5761

C O R R E C T E D C O P Y (CORRECTION MRN)

F. ENCOURAGE IRANIAN AID TO LESS DEVELOPED COUNTRIES AND PROMOTE JOINT ASSISTANCE EFFORTS WITH THE U.S. IN SELECTED THIRD COUNTRIES.

G. INCREASE OUR ABILITY TO SERVE AND PROTECT AMERICAN COMMUNITY IN IRAN WHICH IS EXPECTED TO GROW FROM ABOUT 18,000 NOW TO AROUND 80,000 IN NEXT FEW YEARS. THIS WILL REQUIRE OPENING CONSULATES IN ISFAHAN AND SHIRAZ AND INCREASING STAFFS OF EMBASSY'S CONSULAR, ADMINISTRATIVE AND ECONOMIC-COMMERCIAL SECTIONS.

5. POLICY ISSUES AND PTENTIAL PROBLEMS OVER NEXT TWO YEARS:

A. CONGRESSIONAL RESTRICTIONS ON MILITARY SALES AND SERVICES:

RECENT LEGISLATION AND INCREASING CONGRESSIONAL SCRUTINY OF PROVISION OF ARMS AND MILITARY SERVICES TO COUNTRIES THROUGHOUT WORLD MAY LEAD TO LIMITATIONS ON OUR ABILITY TO RESPOND TO DESIRABLE IRANIAN REQUESTS, TO INCREASED PUBLIC CRITICISM OF IRAN IN UNITED STATES, AND TO DELAYS IN DECISIONS AND DELIVERIES WHICH COULD IMPAIR OUR ABILITY TO ACHIEVE OBJECTIVE 4B AND DAMAGE OVERALL RELATIONS WITH THE GOI.

RECOMMENDATION: SEEK TO ENSURE THAT IRANIAN REQUESTS FOR WEAPONS SYSTEMS AND MILITARY ASSISTANCE ARE ALWAYS EVALUATED IN CONTEXT OF HOW THEY WILL CONTRIBUTE TO IRAN'S SECURITY AND THAT THEY ARE WEIGHED AGAINST COMPETING REQUIREMENTS FOR COUNTRY'S AVAILABLE SKILLED MANPOWER. WE SHOULD TAKE EVERY OPPORTUNITY, CONFIDENTIAL

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BOTH IN WASHINGTON AND WITH VISITING CODELS, TO PUT INTO PERSPECTIVE IRAN'S MILITARY MODERNIZATION AND EXPANSION PROGRAM AND EXPLAIN HOW IT BEARS ON OUR OVERALL RELATIONSHIP WITH IRAN AND ON SOME OF OUR OWN DOMESTIC ECONOMIC AND BALANCE-OF-PAYMENTS CONSIDERATIONS.

B. CO-PRODUCTION:

IRAN'S DESIRE TO CO-PRODUCE SOPHISTICATED WEAPONS WILL UNDOUBTEDLY BE BESET BY MANY FRUSTRATIONS, PRIMARILY BECAUSE OF THE SHORTAGE OF SKILLED MANPOWER, AND WE MAY BE BLAMED IRRATIONALLY.

RECOMMENDATION: WE SHOULD AGREE TO SOME SIGNIFICANT CO-PRODUCTION PROJECTS FOR POLITICAL REASONS BUT CAUTION GOI AGAINST TAKING ON MORE CO-PRODUCTION WORK THAN IRAN CAN HANDLE. WE SHOULD ENCOURAGE COMPANIES INVOLVED IN ACTUAL PROJECTS TO FACILITATE TRAINING OF IRANIAN PERSONNEL.

C. CONTROL AND COORDINATION OF U.S. ACTIVITIES:

AS U.S. GOVERNMENT'S INTERESTS AND INVOLVEMENT IN IRAN INCREASE, NUMBER OF CIVILIAN AND MILITARY ORGANIZATIONS WITH ACTIVITIES HERE WILL CONTINUE TO EXPAND, MAKING IT MORE DIFFICULT TO ENSURE THAT ALL ARE CONTRIBUTING TO OUR NATIONAL POLICY IN COORDINATED WAY.

RECOMMENDATION: ENSURE THAT PRIMARY AUTHORITY OF DEPARTMENT OF STATE AND AMBASSADOR TO ESTABLISH AND CARRY OUT OUR POLICY TOWARD IRAN ARE RECOGNIZED AND FOLLOWED. AUTHORITY OF CHIEF OF ARMISH/MAAG, UNDER AMBASSADOR, TO COORDINATE AND OVERSEE ALL U.S. MILITARY ORGANIZATIONS AND ACTIVITIES IN IRAN SHOULD BE AUGMENTED. WE MUST ENSURE ADHERENCE TO GUIDELINES ALREADY ESTABLISHED FOR MILITARY VISITORS TO IRAN, INCLUDING SUBSTANTIVE JUSTIFICATION FOR EACH VISIT, AND FOR PLANNING NEW MILITARY PROGRAMS HERE.

STRICT CONTROLS SHOULD BE MAINTAINED OVER ANY INCREASE IN NUMBER OF MILITARY PERSONNEL ASSIGNED HERE. TO THIS END, AS DEMANDS ON OUR ADVISORS AND TECHNICAL ASSISTANCE PERSONNEL INCREASE WE SHOULD ATTEMPT TO IMPROVE QUALITY OF THOSE ASSIGNED RATHER THAN MERELY INCREASING NUMBER.

D. SOFTENING IMPACT OF GREATLY EXPANDED AMERICAN COMMUNITY:  
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SUDDEN INFLUX OF THOUSANDS OF AMERICAN FAMILIES, MANY OF WHOM HAVE NEVER LIVED OUTSIDE TOWN IN WHICH THEY WERE BORN, AND THEIR INFUSION INTO IRANIAN PROVINCIAL CITIES WHICH HAVE LITTLE EXPERIENCE WITH FOREIGNERS, CREATE POSSIBILITY OF MASSIVE INTER-CULTURAL FRICTION AND INCREASING XENOPHOBIA. OUR MORE VISIBLE PRESENCE MAY LEAD TO INCREASING PRESSURE FOR MORE STRINGENT, AND PERHAPS UNACCEPTABLE, APPLICATION OF IRANIAN JUSTICE TO AMERICANS. PROBLEMS EXPERIENCED WITH BELL HELICOPTER PERSONNEL IN ISFAHAN INDICATE ON SMALL SCALE WHAT MAY BE IN STORE IF WE ARE NOT SUCCESSFUL IN DEALING WITH THIS ISSUE.

RECOMMENDATION: COMPANY PERSONNEL MUST BE BETTER BRIEFED AND PREPARED FOR LIFE IN IRAN BEFORE THEY COME. THIS IS PRIMARILY A COMPANY RESPONSIBILITY BUT MISSION AND DEPARTMENT CAN ASSIST BY MAKING TRAINING MATERIALS AVAILABLE AND INVESTIGATING POSSIBILITY OF CONTRACTUAL TRAINING ARRANGEMENT WITH FSI. NUMBER OF AMERICAN TECHNICIANS COMING TO IRAN SHOULD BE KEPT TO MINIMUM CONSISTENT WITH ACCOMPLISHMENT OF OUR MISSION, AND GOI SHOULD BE ENCOURAGED WHEREVER POSSIBLE TO SUBSTITUTE THE TRAINING OF IRANIANS FOR RECRUITMENT OF AMERICANS. OPENING OF CONSULATES AT ISFAHAN AND SHIRAZ SHOULD ENABLE US TO HANDLE MANY PROBLEMS IN AMERICAN COMMUNITIES THERE BEFORE THEY GET SERIOUS.

E. CONSULAR WORKLOAD AND NEGATIVE PUBLIC RELATIONS:

RAPIDLY INCREASING AMERICAN COMMUNITY AND STEEP RISE IN TRAVEL BETWEEN IRAN AND U.S. (25,000 NONIMMIGRANT VISAS LAST YEAR INCREASING BY 25 PER CENT ANNUALLY) HAVE PLACED DECIDED STRING ON CONSULAR OPERATIONS, RESULTING IN SLOW, SOMETIMES POOR SERVICE AND CRITICISM FROM BOTH AMERICANS AND IRANIANS, INCLUDING IMPORTANT OPINION MAKERS. THIS PUBLIC RELATIONS PROBLEM HAS HAD NEGATIVE IMPACT ON ACHIEVEMENT OF OUR OBJECTIVES WHICH WILL GET WORSE UNLESS SITUATION IS REMEDIED.

RECOMMENDATION: DEPARTMENT SHOULD MOVE FORWARD WITHOUT DELAY TO PROVIDE ADDITIONAL CONSULAR STAFF AND FACILITIES REQUIRED TO MAINTAIN ACCEPTABLE LEVEL OF CONSULAR SERVICES. ADDITIONAL FUNDS AND STAFF MUST BE FOUND TO OPEN ALREADY-AUTHORIZED NEW CONSULATES AT ISFAHAN WHERE ABOUT 10,000 AMERICANS WILL BE BY 1980 AND SHIRAZ WHERE OVER 2,000 WILL BE. CONTINUOUS CONSULAR  
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PRESENCE WILL ENABLE US TO HEAD OFF PROBLEMS BEFORE THEY GET SERIOUS, PROVIDE BETTER SERVICE TO AMERICAN COMMUNITIES THERE, AND IMPROVE OUR POLITICAL AND ECONOMIC COVERAGE OF THESE INCREASINGLY SIGNIFICANT AREAS OF IRAN.

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C O N F I D E N T I A L SECTION 3 OF 4 TEHRAN 5761

F. INCREASING IRANIAN NATIONALISM AND SENSITIVITY TO CRITICISM:

WITH IRAN'S EMERGING IMPORTANCE IN WORLD, PRESS AND MEDIA COVERAGE OF WHAT WAS OBSCURE UNDERDEVELOPED NATION A FEW YEARS AGO HAS INCREASED ENORMOUSLY, AND MUCH OF IT IS CRITICAL. U.S. CONGRESSIONAL AND EXECUTIVE BRANCH CRITICISM OF GOI ENERGY AND ARMS POLICIES HAS OFTEN BEEN LOUD, TACTLESS AND UNINFORMED. RECENT IRANIAN DOMESTIC POLITICAL DEVELOPMENTS NOT IN ACCORD WITH AMERICAN TRADITIONS MAY OFFER OPPORTUNITIES FOR ADDITIONAL CRITICISM WHICH IRANIANS WILL INTERPRET AS INTERFERENCE IN THEIR INTERNAL AFFAIRS. NATIONAL PRIDE AND SELF-ASSERTIVENESS ARE INCREASING AS IRAN ACHIEVES NEW PLACE IN SUN, AND GOI REACTS STRONGLY TO CRITICISM AND GRATUITOUS ADVICE. POTENTIAL SPILL-OVER INTO OTHER AREAS OF OUR RELATIONSIP IS OBVIOUS. FAINT STRAINS OF XENOPHOBIA HAVE ALREADY SURFACED AND ARE LIKELY TO INTENSIFY AS AMERICAN AND OTHER FOREIGN COMMUNITIES GROW.

RECOMMENDATION: WE SHOULD CONTINUE TO EMPHASIZE TO IRANIANS PLURALITY OF VIEWS UNDER OUR SYSTEM AND NEED TO TAKE BAD WITH GOOD, AS WELL AS FACT THAT PUBLIC CRITICISM DOES NOT NECESSARILY REFLECT USG POLICY WHICH IS BASED ON CONGRUENCE OF INTERESTS TRANSCENDING SUCH DIFFERENCES IN PERCEPTION. AT SAME TIME WE SHOULD DO WHAT WE CAN TO ENSURE THAT CRITICISM IS MADE IN CONSTRUCTIVE AND MEASURED FASHION. WE SHOULD ALSO ENCOURAGE IRANIANS TO MAKE THEIR SIDE OF STORY KNOWN SO AS NOT TO LEAVE FIELD TO OPPONENTS.

G. ENERGY:

ONLY CURRENT AREA WHERE U.S. AND IRANIAN INTERESTS AND POLICY  
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DIFFER MARKEDLY IS THAT OF OIL, AND THIS IS PROBLEM WHICH CAN NOT BE SOLVED BILATERALLY. BUT EMOTIONS AND HOSTILITIES AROUSED BY OUR RESPECTIVE POSITIONS AS SPOKESMEN FOR CONSUMER AND PRODUCER GROUPS SPILL OVER INTO OTHER AREAS OF OUR RELATIONSHIP AND MAKE ACCOMPLISHMENT OF OUR OBJECTIVES MORE DIFFICULT.

RECOMMENDATION: DO EVERYTHING POSSIBLE TO CONVINCE IRAN THAT U.S. ENERGY POLICIES ARE BASED ON COOPERATION, NOT CONFRONTATION, AND ARE FOUNDED ON IMPERATIVES OF WORLD-WIDE ECONOMIC INTERDEPENDENCE WITH WHICH IRAN ITSELF IS INEXTRICABLY BOUND. IN PERSIAN CONTEXT, TONE OF VOICE WITH WHICH WE EXPRESS OUR DIFFERENCES IS USUALLY AS IMPORTANT AS WHAT WE SAY. WE SHOULD GET ON WITH EFFECTIVE CONSERVATION POLICIES AND ACCELERATE DEVELOPMENT OF NON-OPEC OIL SUPPLIES AND NEW SOURCES OF ENERGY SO WE AND OUR FRIENDS ARE LESS VITALLY AFFECTED BY OPEC POLICIES.

#### H. DIVERGING VIEWS ON WORLD ECONOMIC SYSTEM:

IRAN SHOWS SIGNS OF WANTING TO BECOME PRINCIPAL SPOKESMAN FOR DEVELOPING NATIONS IN THEIR REJECTION OF MANY ASPECTS OF PRESENT WORLD ECONOMIC ORDER AND DEMANDS FOR NEW SYSTEM BASED ON IDEOLOGY AND NATIONAL SELF-INTEREST. ALTHOUGH IRAN IS LESS DOCTRINAIRE AND MORE FLEXIBLE IN ITS APPROACH TOWARD THESE MATTERS THAN MANY LDCs, IT MAY FEEL COMPELLED TO HARDEN ITS POSITION TO STRENGTHEN IMAGE OF POLITICAL INDEPENDENCE AND INCREASE INFLUENCE WITH THIRD WORLD COUNTRIES. WE MAY FIND OURSELVES INCREASINGLY AT ODDS ON SUCH FUNDAMENTAL QUESTIONS AS AVAILABILITY AND PRICING OF NATURAL RESOURCES, COMMODITY INDEXING, REDISTRIBUTION OF ECONOMIC POWER FROM DEVELOPED TO DEVELOPING NATIONS, AND REVISION OF INTERNATIONAL MONETARY SYSTEM

RECOMMENDATION: IN THIS POTENTIAL PROBLEM AREA, AS IN THAT OF ENERGY, WE MUST SHOW WE ARE COMMITTED TO COOPERATIVE APPROACH RATHER THAN CONFRONTATION. ANY INTERNATIONAL ECONOMIC ORDER WILL ENDURE ONLY IF ITS MEMBERS CONSIDER IT TO BE FAIR AND EQUITABLE. WE MUST THEREFORE TRY TO RESPOND CONSTRUCTIVELY TO IRANIAN PERCEPTIONS ABOUT NEED FOR CHANGES AND NOT ADOPT UNHELPFUL ATTITUDE THAT "THEY CAN'T DO THIS TO US\*" WE MUST MAKE EVERY EFFORT TO CONVINCE IRAN AND OTHER THIRD WORLD MODERATES THAT IT IS POSSIBLE AND FAR PREFERABLE TO STRENGTHEN AND EXPAND PRESENT INTERNATIONAL SYSTEM TO ACCOMMODATE THEIR LEGITIMATE CONCERNS  
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THAN TO LET IT BE DESTROYED IN NAME OF DOCTRINAIRE AND UNREALISTIC IDEALS.

#### 6. PROJECTED STAFFING AND FUNDING REQUIREMENTS OVER NEXT THREE YEARS:

##### A. EMBASSY

(1) STAFFING:

TO DEAL WITH GREATLY INCREASED EMBASSY WORKLOAD AND PROVIDE SUPPORT SERVICES FOR HUNDREDS OF USG EMPLOYEES WHO WILL ARRIVE TO CARRY OUT TECHNICAL COOPERATION AGREEMENTS UNDER JOINT COMMISSION, WE ANTICIPATE NEED FOR AT LEAST 11 NEW AMERICAN POSITIONS AND 21 NEW LOCAL POSITIONS IN FY-76 ALONE. IF PRESENT TRENDS CONTINUE THERE WILL BE ADDITIONAL POSITION REQUIREMENTS IN FY-77 AND FY-78.

(A) NEW PROGRAM POSITIONS (5 AMERICAN, 5 FSL):

CONSULATES AT SHIRAZ AND ISFAHAN  
TWO ADDITIONAL CONSULAR OFFICERS ARE REQUIRED TO STAFF NEW CONSULATES AT MINIMUM LEVEL (REQUESTED IN A-131, 1974). ONE ADDITIONAL OFFICER WILL BE NECESSARY TO COVER GULF AREA ADEQUATELY.

CONSULAR SECTION  
TWO FSL POSITIONS ARE NEEDED TO RELEASE TWO SHARED POSITIONS ON LOAN FROM ADMIN SECTION DURING PAST YEAR. TWO ADDITIONAL FSL POSITIONS WERE JUSTIFIED BY WORKLOAD STATISTICS IN LAST YEAR'S CONSULAR PACKAGE.

(IN ADDITION, TEMPORARY AMERICAN SECRETARIAL POSITION AUTHORIZED AND FILLED SINCE AUGUST 1974 SHOULD BE MADE PERMANENT.)

ECON-COMMERCIAL SECTION  
ONE ADDITIONAL ECON-COMMERCIAL OFFICER, ONE AMERICAN SECRETARY AND ONE FSL COMMERCIAL REPORTING ASSISTANT ARE NEEDED TO HANDLE GREATLY INCREASED EXPORT PROMOTION, VISITORS, AND REPORTING REQUIREMENTS. NEW SECRETARY WOULD ALSO SERVE AS "SWING" SECRETARY FOR OTHER SECTIONS DURING EMERGENCIES AND VACATION PERIODS.

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(B) SHARED POSITIONS (6 AMERICAN, 16 FSL):

AMERICAN

--ADMIN OFFICER (0-3) TO HANDLE BULK OF DAY-TO-



DAY FUNCTIONS AND ALLOW ADMIN COUNSELOR TO WORK ON ADMIN FUNCTIONS NOW BEING NEGLECTED.

--GENERAL SERVICES OFFICER (O-4) TO PROVIDE BETTER SUPERVISION AND CONTROL OF EXPANDING GSO ACTIVITIES.

--BUDGET AND FISCAL OFFICER (O-4) TO SERVICE NEW TECHNICAL COOPERATION TEAMS, MAINTAIN LOCAL DEPOSITARY ACCOUNTS, AND PROVIDE BETTER CONTROL OF BURGEONING B&F RESPONSIBILITIES.

--COMMUNICATIONS AND RECORDS OFFICER (RU-8).

--BUILDINGS MAINTENANCE/HOUSING OFFICER (O-5) TO ASSIST WITH GREATLY EXPANDED RESPONSIBILITIES IN THIS AREA.

--REGIONAL SECURITY OFFICER (R-5).

FSL

--WE WILL REQUIRE ONE FSL EACH FOR PERSONNEL, CRU AND SY; TWO EACH FOR PROCUREMENT AND CONTRACTING, CUSTOMS AND SHIPPING AND B&F; AND SEVEN DRIVERS.

(2) EMBASSY FUNDING PROJECTIONS:

	FY-75	FY-76	FY-77	FY-78
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PROGRAM	\$853,313	\$1,164,419	\$1,490,988	\$1,836,988
SHARED	\$2,116,093	\$3,173,652	\$4,363,938	\$5,436,324

B. USIS DOES NOT ANTICIPATE NEED FOR ADDITIONS TO STAFF OF 15 AMERICANS AND 81 IRANIANS. (IT HAS BEEN OPERATING WITH FEWER THAN AUTHORIZED 81 LOCALS FOR SOME TIME.) PROPOSED EXPANSION OF SERVICES AND FACILITIES IN PROVINCES WILL BE ACCOMPLISHED WITHIN PRESENT PERSONNEL COMPLEMENT. SIMILARLY, USIS DOES NOT EXPECT MAJOR INCREASES IN CURRENT \$1,112,000 OPERATING BUDGET OR SUPPLIES AND EQUIPMENT ACCOUNT OF \$187,000.

C. PEACE CORPS: PEACE CORPS DIRECTOR FOR IRAN HAS PROPOSED GRADUAL PHASE-OUT OF ACTIVITIES DURING NEXT TWO AND HALF YEARS (SEE COUNTRY MANAGEMENT PLAN, MARCH 1975). WE SUPPORT THIS RECOMMENDATION. PHASE-OUT WOULD OCCUR AS FOLLOWS:

	FY-75	FY-76	FY-77	FY-78
PERSONNEL:				
AMERICAN STAFF	4	3	0	0
NON-U.S. STAFF	11	9	0	0
VOLUNTEERS	110	70	0	0

FUNDING:

USG BUDGET	\$1,177,000	\$588,300	266,700	0
GOI CONTRIBUTION	\$97,000	\$279,900	\$71,200	0

D. DEPARTMENT OF DEFENSE (EXCEPT GENMISH, ATTACHES, MARINE GUARDS AND MILITARY LIAISON GROUP)

PERSONNEL:

	FY-76	FY-77	FY-78
SECURITY ASSISTANCE			
MAAG:			
DOD	209	209	209
FSL	39	39	39

TAFT:

DOD	868	852	761
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FSL	317	255	228
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SUPPORT ACTIVITIES 246 U.S. POSITIONS AND 178 LOCALS TO BE MAINTAINED THROUGHOUT PERIOD.

DOD AND USGOVT MISSIONS 165 U.S. POSITIONS AND 79 LOCALS THROUGHOUT PERIOD.

FUNDING PROJECTIONS

	FY-76	FY-77	FY-78
ARMISH-MAAG AND SUPPORT ACTIVITIES	\$900,000	\$1,000,000	\$1,100,000

0  
(PROJECTIONS FOR OTHER DOD AND USG  
ACTIVITIES NOT AVAILABLE IN IRAN)

E. GENDARMERIE MISSION ANTICIPATES NO SIGNIFICANT CHANGES IN STAFFING BEYOND CURRENT 10 OFFICERS, 2 WARRANT OFFICERS, 4 NON-COMMISSIONED OFFICERS AND 11 FSLs. BUDGET WILL INCREASE ONLY TO KEEP PACE WITH INFLATION, RISING FROM FY-76 ESTIMATE OF \$230,000 TO \$264,000 IN FY-77, AND \$304,000 IN FY-67.  
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## Message Attributes

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**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** OGEN, PFOR, AFSP, IR, US, XF  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006